



# LEON D. YOUNG

State Representative • 16th Assembly District

## ***Testimony of State Representative Leon D. Young***

AB 875 – Minority Business Growth & Development Act

Assembly Committee on Labor

Wednesday, March 24, 2010

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Good Afternoon Chairperson Sinicki and members of the Assembly Labor Committee.

Thank you for taking testimony today on Assembly Bill 875 – the Minority Business Growth & Development Act that will restore the Minority Business Development Grant (MBD) Program in the Department of Commerce.

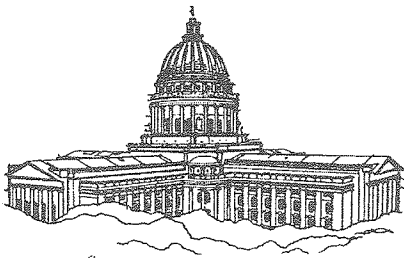
By way of background, Wisconsin Act 28 (Executive budget bill) merged the Minority Business Development Grant Program into the new Forward Innovation Fund. During the budget deliberations, the Legislature maintained the current Rural Economic Development (RED) program but eliminated the Minority Business Development Grant Program.

As elected officials, we all aware of the critical importance of creating new job opportunities for our constituents in this down economy. The MBDG program has been a successful model of minority job creation, creating over 2,745 jobs since its inception in 1989 and leading to retention of over 1,050 jobs, according to the Department of Commerce. Counties across the state have benefitted from this program including job creation in the select following counties: Brown – 88, Dane – 386, Chippewa – 16, Jefferson – 150, Kenosha – 13, Menomonie – 39, Racine – 114, Rock – 40, and Milwaukee – 1,329.

The intent of this legislation is simple. It does not eliminate the newly created Forward Innovation Fund, but merely restores the MBDG program alongside the fund and RED program. The Department of Commerce has had eight and a half months to put forth an emergency rule to begin

operating the Forward Innovation Fund, which it finally did just last week. In the interim, minority business and job creation through this program has come to a halt. In light of the time that it has taken to bring this program on-line – approximately eight and half months – it seems that it is appropriate to restore a proven program that creates jobs in communities throughout the state.

As Wisconsin continues to look at job creation as the number one policy goal, I encourage this committee to support AB 875, which has a proven track record of creating jobs in the minority business community.



# LENA C. TAYLOR

Wisconsin State Senator • 4th District

HERE TO SERVE YOU!

## ***Testimony of Senator Lena C. Taylor***

AB 875 – Minority Business Growth & Development Act

Assembly Committee on Labor

March 24, 2010

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Honorable Chairperson Sinicki and members of the committee:

Thank you for taking testimony today on AB 875 -- the Minority Business Growth & Development Act that will restore the Minority Business Development Grant program in the Department of Commerce. Act 28 merged the Minority Business Development Grant program into the new Forward Innovation Fund. During the budget deliberations, the Legislature maintained the current Rural Economic Development (RED) program but eliminated the Minority Business Development Grant Program.

The MDB program has been a successful model of minority job creation, creating over 2,745 jobs since its inception and leading to retention of over 1,050 jobs, according to the Department of Commerce. Counties across the state have benefitted from this program including job creation in the select following counties: Brown-88, Dane-386, Chippewa-16, Jefferson-150, Kenosha-13, Menomonie-39, Racine-114, Rock-40, and Milwaukee-1,329. My office has the full list of all the counties under this program if you wish to have a copy.

To be very clear, this bill does not eliminate the newly created Forward Innovation Fund. It simply restores the MBDG program alongside the fund and RED program. The Department of Commerce issued the emergency rules to begin operating the Forward Innovation Fund just last week. In light of the time it has taken to bring this program on-line – approximately eight and a half months – it seems that it is appropriate to restore a proven program that creates jobs in the minority communities.

Later this week, Rep. Young and I will be introducing an amendment that will enhance this bill by restoring the Minority Business Early Planning and Development Project Grants. Often, the biggest obstacle new and existing MBEs (especially existing businesses) face is when they are ready to seek financing/capital; they need a lot of help to put together a comprehensive business plan acceptable to lenders. Generally, for less than \$3,000 any business can hire a reputable consultant to help write a business plan to ensure that the business can put its best foot forward in seeking financing.

As Wisconsin continues to look at job creation as the number one policy goal, I encourage this committee to support AB 875 and restore this proven job created in the minority business community.